

HOUSE BILL 2213

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AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 87 and Title 9, Chapter 9, relative to port authorities; and authorizing the State of Tennessee, acting through its state funding board, to guarantee certain debt of port authorities. This act makes appropriations for an indefinite period of time to fund such guarantee.

WHEREAS, the General Assembly declared that the port authorities created pursuant to title 7, chapter 87 are public and governmental bodies acting as agencies and instrumentalities of the municipality or municipalities with respect to which the authority is organized and that the acquisition, operating and financing of ports and related facilities by such port authorities are hereby declared to be for a public and governmental purpose and a matter of public necessity; and

WHEREAS, an authority created pursuant to title 7, chapter 87 has all powers necessary to accomplish the purposes of that chapter, including, but not limited to, (i) making application directly to the proper federal, state, county, and municipal officials and agencies, or to any other source, public or private, for loans, grants, guarantees or other financial assistance in aid of ports operated by it and to accept the loans, grants, guarantees or other financial assistance; (ii) borrowing money for any corporate purposes; and (iii) issuing revenue bonds for any corporate purposes; and

WHEREAS, the General Assembly declared that the bonds issued by port authorities created pursuant to title 7, chapter 87 are for an essential public and governmental purpose; and

WHEREAS, the Northwest Tennessee Regional Port Authority was created in 2001 pursuant to title 7, chapter 87 by Dyer, Lake and Obion Counties; and

WHEREAS, the Northwest Tennessee Regional Port Authority is establishing and intends to operate a port and industrial park on the Mississippi River at Cates Landing in Lake County and has planned and obtained regulatory and funding approvals for such port; and

WHEREAS, as part of the improvement of such port the Authority has determined to construct a high pressure natural gas transmission line (approximately twenty-six linear miles) through Obion and Lake Counties at a cost of approximately sixteen million dollars (the “project”); and

WHEREAS, this project benefits existing users and natural gas distribution utilities in Lake and Obion Counties as well as the ability of the Northwest Tennessee Regional Port Authority's industrial park to attract future high volume natural gas users prepared to invest substantially in the industrial park; and

WHEREAS, the Northwest Tennessee Regional Port Authority intends to issue its revenue bonds to finance the cost of construction of such project, to be secured by project revenues, including fees and charges paid by users of the project, anticipated to include area utility districts and industrial park residents; and

WHEREAS, the guarantee by the State of Tennessee of the bonds sold by the Northwest Tennessee Regional Port Authority will greatly reduce the financing costs of the project; and

WHEREAS, the provision of assistance to the Northwest Tennessee Regional Port Authority through the guarantee of the bonds for such project is declared to be in furtherance of a public purpose; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The state funding board established by Section 9-9-101 of the Tennessee Code Annotated is hereby authorized to enter into an agreement to guarantee the principal and interest on the revenue bonds of the Northwest Tennessee Regional Port Authority in an aggregate principal amount not to exceed sixteen million dollars (\$16,000,000) for a term not to exceed twenty (20) years, issued to fund the costs of construction of the high-pressure natural gas transmission line. Prior to consideration by the state funding board of such agreement, the

Northwest Tennessee Regional Port Authority shall review such borrowing plans, including the terms and conditions of the guarantee, with the division of bond finance in the office of the comptroller of the treasury. Any contract or arrangement entered into for the purpose of issuance of revenue bonds to be guaranteed by the state of Tennessee shall be subject to the approval of the state funding board. The guarantee approved by the state funding board shall be a direct, general, and continuing obligation of the state of Tennessee, payable from any funds or moneys of the state, from whatever source derived but shall not be considered to be a general obligation bond issued under the provisions of chapter 9 of title 9.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall be effective upon becoming law, the public welfare requiring it.